

The Impact of Import and Export on Total Factor Productivity in Albania

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Abstract: *The import, according to the board of Albania, isn't high but also the trade out of country is increasing day by day so both these kind of trade have a large effect on economy of Albania. Total factor of productivity which is one of most effecting elements in GDP, is shown by the technology, capital and labor, or all of the other factors that have large impact on the total factor productivity which is directly related to the situation of the overall economy in Albania taking in consideration years after '90s when the transition ended. This paper examines the impact of international trade on the total factor productivity in Albania. According to the results found by the analysis, it is shown that the trade is important for the improvements of economy. Trade must be followed by politics that support the balance of imports and exports. In the case of Albania, trade is becoming main component for the welfare of the economy. Also, it observes how trade in Albania effects the economic growth, focusing on the relation of the exports and productivity and also on the relation between imports and productivity. To conclude, the impact on total factor of production is positive which supports more the exports as an important factor in the increasing of the productivity and the imports that help increasing the innovation and improve the technology, effecting the economic growth also.*

Keywords: *Import, Export, Productivity, Economic Growth, Trade.*